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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

## PAID UP OIL AND GAS LEASE

(No Surface Use)

whose addresss is 115 Marion (NENDEFORT) as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

2009, by and between

166 ACRES OF LAND, MORE OF	DIECE DEINCLOT(C)	12.	, BLOCK <u> </u>
OUT OF THE MYON SOUTHEC	Y EESS, BEING EUT(S) _ Y (1)	~~~	DDITION, AN ADDITION TO THE CITY OF
Fort Worth	TARRANT COLIN		NG TO THAT CERTAIN PLAT RECORDED
IN VOLUME 388 , PAG	F TARRE	OF THE PLAT RECORD	S OF TARRANT COUNTY, TEXAS.
, 1710	<u> </u>	Of THE LEGITLE	001 7741101111 0007111, 7270101
substances produced in association therewith (inc commercial gases, as well as hydrocarbon gases, land now or hereafter owned by Lessor which are or	e of exploring for, developing, puding geophysical/seismic oper in addition to the above-describo ontiguous or adjacent to the aborditional or supplemental instrum	producing and marketing oil and rations). The term "gas" as used leased premises, this lease a ve-described leased premises, a ents for a more complete or accu	interests therein which Lessor may hereafter acquire by I gas, along with all hydrocarbon and non hydrocarbon sed herein includes helium, carbon dioxide and other Iso covers accretions and any small strips or parcels of and, in consideration of the aforementioned cash bonus, trate description of the land so covered. For the purpose med correct, whether actually more or less.
	·	·	<u> </u>
otherwise maintained in effect pursuant to the provisi 3. Royalties on oil, gas and other substances separated at Lessee's separator facilities, the royal	overed hereby are produced in possible for the produced and saved hereunder by shall be Tuxioty Finite for the first possible for the fir	paying quantities from the leased shall be paid by Lessee to Les $\mathcal{L} = \mathcal{L} \mathcal{L} \mathcal{L} \mathcal{L} \mathcal{L} \mathcal{L} \mathcal{L} \mathcal{L}$	) years from the date hereof, and for I premises or from lands pooled therewith or this lease is sor as follows: (a) For oil and other liquid hydrocarbons such production, to be delivered at Lessee's option to have the continuing right to purchase such production at
the wellhead market price then prevailing in the sar prevailing price) for production of similar grade a new prevailing price) for production of similar grade a severance, or other excise taxes and the costs incur have the continuing right to purchase such production then prevailing in the same field, then in the neares nearest preceding date as the date on which Lessee the leased premises or lands pooled therewith are can hydraulic fracture stimulation, but such well or wells are production in paying quantities for the purpose of being sold by Lessee, then Lessee shall pay shut-in depository designated below, on or before the end of are shut-in or production there from is not being so Lessee from another well or wells on the leased premof such operations or production. Lessee's failure to 4. All shut-in royalty payments under this lease Lessor's depository agent for receiving payments draft and such payments or tenders to Lessor or to laddress known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's requestable to the provisions of Paragraph 3, abo premises or lands pooled therewith, or if all product pursuant to the provisions of Paragraph 6 or the inevertheless remain in force if Lessee commences on the leased premises or lands pooled therewith with the end of the primary term, or at any time thereaff operations reasonably calculated to obtain or restore no cessation of more than 90 consecutive days, and there is production in paying quantities from the leased to (a) develop the leased premises as to formations leased premises from uncompensated drainage by a additional wells except as expressly provided herein.	me field (or if there is no such pand gravity; (b) for gas (includin) of the proceeds realized by Le red by Lessee in delivering, procent at the prevailing wellhead mand field in which there is such a programmences its purchases hereupable of either producing oil or gare either shut-in or production the maintaining this lease. If for a peroyalty of one dollar per acre the field 90-day period and thereaffeld by Lessee; provided that if the misses or lands pooled therewith, properly pay shut-in royalty shall be paid or tendered to be regardless of changes in the owner of the depository by deposit in the interest. If the depository should lest, deliver to Lessee a proper receive, if Lessee drills a well which it is the production of any governmental autoperations for reworking an exist thin 90 days after completion of er, this lease is not otherwise be production therefrom, this lease of if any such operations result it is delivered to the premises or lands pooled therewise then capable of producing in party well or wells located on othe minus well or wells located on othe	rice then prevailing in the same in casing head gas) and all of seee from the sale thereof, less seee from the sale thereof, less sees from the sale thereof, less seesing or otherwise marketing set price paid for production of si revailing price) pursuant to commoter; and (c) if at the end of the gas or other substances covered in the end of the gas or other substances covered in the end of 90 consecutive days such per on or before each anniversal ris lease is otherwise being man in shut-in royalty shall be due us render Lessee liable for the amissor or to Lessor's credit in _at mership of said land. All payment US Mails in a stamped envelope iquidate or be succeeded by an ordable instrument naming anotts incapable of producing in paying quantities) permanently ceases the ing well or for drilling an addition operations on such dry hole or veing maintained in force but Lesshall remain in force so long as in the production of oil or gas or erewith. After completion of a vith as a reasonably prudent ope aying quantities on the leased in I lands not pooled therewith. The	infield, then in the nearest field in which there is such a other substances covered hereby, the royalty shall be a proportionate part of ad valorem taxes and production, such gas or other substances, provided that Lessee shall milar quality in the same field (or if there is no such price parable purchase contracts entered into on the same or primary term or any time thereafter one or more wells on thereby in paying quantities or such wells are waiting on issee, such well or wells shall nevertheless be deemed to havell or wells are shut-in or production there from is not ayment to be made to Lessor or to Lessor's credit in the yof the end of said 90-day period while the well or wells intained by operations, or if production is being sold by ntil the end of the 90-day period next following cessation bunt due, but shall not operate to terminate this lease. Lessor's address above—or its successors, which shall is or tenders may be made in currency, or by check or by addressed to the depository or to the Lessor at the last other institution, or for any reason fail or refuse to accept the institution as depository agent to receive payments. In quantities (hereinafter called "dry hole") on the leased from any cause, including a revision of unit boundaries ase is not otherwise being maintained in force it shall hall well or for otherwise obtaining or restoring production within 90 days after such cessation of all production. If at severe is then engaged in drilling, reworking or any other any one or more of such operations are prosecuted with other substances covered hereby, as long thereafter as well capable of producing in paying quantities hereunder, rator would drill under the same or similar circumstances overnises or lands pooled therewith, or (b) to protect the leare shall be no covenant to drill exploratory wells or any
6. Lessee shall have the right but not the oblidepths or zones, and as to any or all substances or proper to do so in order to prudently develop or oper unit formed by such pooling for an oil well which is rehorizontal completion shall not exceed 640 acres plus completion to conform to any well spacing or density of the foregoing, the terms "oil well" and "gas well" prescribed, "oil well" means a well with an initial gasfeet or more per barrel, based on 24-hour produce equipment; and the term "horizontal completion" mequipment; and the term "horizontal completion" mecomponent thereof. In exercising its pooling rights Production, drilling or reworking operations anywher reworking operations on the leased premises, excepnet acreage covered by this lease and included in the component of the control of the	overed by this lease, either beforate the leased premises, whether and a horizontal completion shall as a maximum acreage tolerance pattern that may be prescribed shall have the meanings prescribiol ratio of less than 100,000 cut tion test conducted under norm leans an oil well in which the hornereunder, Lessee shall file of ormer on a unit which includes all that the production on which Lethe unit bears to the total gross	pre or after the commencement or or not similar pooling authority not exceed 80 acres plus a may of 10%; provided that a larger upor permitted by any government ped by applicable law or the applic feet per barrel and "gas well" lail producing conditions using norizontal component of the gross record a written declaration desoor any part of the leased premessor's royalty is calculated sha acreage in the unit, but only to	therein with any other lands or interests, as to any or all of production, whenever Lessee deems it necessary or exists with respect to such other lands or interests. The timum acreage tolerance of 10%, and for a gas well or a nit may be formed for an oil well or gas well or horizontal al authority having jurisdiction to do so. For the purpose propriate governmental authority, or, if no definition is so means a well with an initial gas-oil ratio of 100,000 cubic standard lease separator facilities or equivalent testing sess completion interval in facilities or equivalent testing completion interval in the reservoir exceeds the vertical cribing the unit and stating the effective date of pooling, isses shall be treated as if it were production, drilling or if the that proportion of the total unit production which the the extent such proportion of unit production is sold by we the recurring right but not the obligation to revise any
unit formed hereunder by expansion or contraction prescribed or permitted by the governmental author making such a revision, Lessee shall file of record a leased premises is included in or excluded from the be adjusted accordingly. In the absence of production a written declaration describing the unit and stating the contraction of th	or both, either before or after c ity having jurisdiction, or to conf written declaration describing the unit by virtue of such revision, the on in paying quantities from a un- ne date of termination. Pooling hate in all or any part of the lease	ommencement of production, in orm to any productive acreage he revised unit and stating the el- net proportion of unit production of it, or upon permanent cessation ereunder shall not constitute a condition of d premises, the royalties and shall the production of the state of the state of the d premises, the royalties and shall premises, the royalties and shall premises.	order to conform to the well spacing or density pattern determination made by such governmental authority. In fective date of revision. To the extent any portion of the on which royalties are payable hereunder shall thereafter thereof, Lessee may terminate the unit by filing of record

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litination shall be initiated by Lessee with respect to any treach or default by Lessee hereunder for a period of at least 90 days after Lesser, has given Lessee.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	
By: LUVENIA LEWIS	Ву:
Tayo	ACKNOWLEDGMENT
STATE OF TEXULS COUNTY OF TUrray + This instrument was acknowledged before me on the by: MUKEMA LEWIS A WIGOU	6th day of FEDRUARY, 2009,
KISHA G. PACKER POLK Notary Public, State of Texas	Hillan-Pulk
My Coromission Expires April 15, 2012	Notary's name (printed): Notary's commission expires:
STATE OF	
COUNTY OF This instrument was acknowledged before me on the by:	
	"



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

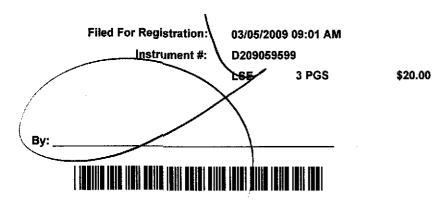
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209059599

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